

295 - RETIREE MEDICAL INTERNAL SERVICE FUND

Operational Summary

Description:

The Retiree Medical Internal Service fund (ISF) provides for benefits under the Retiree Medical Insurance Program. Benefits include a monthly retiree medical grant to be applied to the health premiums of eligible retirees, and a lump sum cash benefit to separated employees not eligible to retire.

Strategic Goals:

- Fund 295 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

FY 2005-06 Key Project Accomplishments:

- Per recommendation of the CEO and approval of the Board of Supervisors, a total of \$3 million from Fund 295 was drawn to cover part of the Retiree Medical Grant cost for FY 05-06.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Fund 295 is one of the funds under Employee Benefits. The Employee Benefits Division supports the Human Resources Department's Business and Strategic Plan as they relate to the design, implementation and administration of employee benefits programs.

At a Glance:

Total FY 2005-2006 Actual Expenditure + Encumbrance:	20,060,254
Total Final FY 2006-2007	62,637,176
Percent of County General Fund:	N/A
Total Employees:	0.00

Changes Included in the Base Budget:

The Retiree Medical Insurance Program Grant funding is higher compared to FY 05-06 based upon increases in the number of retirees and increases in the monthly Retiree Medical Grant as the result of higher health premium costs.

Final Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual Exp/Rev	Budget As of 6/30/06	Actual Exp/Rev ⁽¹⁾ As of 6/30/06		Actual Amount	Percent
Total Revenues	59,072,235	60,892,263	58,199,247	62,637,176	4,437,929	7.63
Total Requirements	19,638,274	60,892,264	20,060,254	62,637,176	42,576,922	212.25
Balance	39,433,961	(1)	38,138,993	0	(38,138,993)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Retiree Medical Internal Service Fund in the Appendix on page A224

Highlights of Key Trends:

- The Retiree Medical Insurance Program Grant funding is higher compared to FY 05-06 based upon increases in the number of retirees, increases in Medicare Part B premiums, and increases in the monthly Retiree Medical Grant as the result of higher health premium costs.
- Beginning in FY 06-07, County will seek quarterly reimbursements from Centers for Medicare and Medicaid Services (CMS) for prescription subsidies (Medicare Part D) available to some of the County's health plans on behalf of its retiree health plan participants.

295 - Retiree Medical Internal Service Fund

Operation of Internal Service Fund 295 Operational Statement for the Fiscal Year 2006-2007

Operating Detail		FY 2004-2005	FY 2005-2006	FY 2006-2007	FY 2006-2007
		Actual	Actual	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
OPERATING INCOME					
7710	Insurance Premiums	17,617,280	17,105,688	25,129,300	25,129,300
Total Operating Income		17,617,280	17,105,688	25,129,300	25,129,300
OPERATING EXPENSES					
Services & Supplies					
1800	Office Expense	274	360	32,000	32,000
1900	Professional and Specialized Services	80,404	163,755	299,480	299,480
1911	CWCAP Charges	71,129	88,015	81,840	81,840
Total Services & Supplies		151,807	252,130	413,320	413,320
Other Charges					
3510	Other Charges - Operating	19,449,032	19,772,047	62,173,856	62,173,856
Total Other Charges		19,449,032	19,772,047	62,173,856	62,173,856
Total Operating Expenses		19,600,839	20,024,177	62,587,176	62,587,176
Net Operating Income (Loss)		(1,983,559)	(2,918,489)	(37,457,876)	(37,457,876)
NON-OPERATING REVENUE					
6610	Interest	898,827	1,623,533	2,003,942	2,003,942
7040	Federal - Health Administration	0	0	1,400,000	1,400,000
7670	Miscellaneous Revenue	19,114	36,067	0	0
Total Non-Operating Revenue		917,941	1,659,600	3,403,942	3,403,942
NON-OPERATING EXPENSES					
1912	Investment Administrative Fees	37,436	36,077	50,000	50,000
Total Non-Operating Expenses		37,436	36,077	50,000	50,000
Net Non-Operating Income (Loss)		880,505	1,623,523	3,353,942	3,353,942
Income (Loss) Before Contributions & Transfers		(1,103,053)	(1,294,967)	(34,103,934)	(34,103,934)
STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED					
Income (Loss) Before Contributions & Transfers		(1,103,053)	(1,294,967)	(34,103,934)	(34,103,934)
7811	Interfund Transfers In - from Funds 101-199	1,978,624	0	0	0
Increase (Decrease) in Net Assets - Unrestricted		875,571	(1,294,967)	(34,103,934)	(34,103,934)
Net Assets - Unrestricted - Beginning of Year		38,558,390	39,433,961	34,103,934	34,103,934
Net Assets - Unrestricted - End of Year		39,433,961	38,138,994	0	0